GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4341
ANSWERED ON:12.12.2016
Undertaking Given by Cairn India in Rajasthan
Shekhawat Shri Gajendra Singh

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to approve and insert the special condition to Mangla Oil, Kaameshwari West Fields and Bhagyam Shakti Field as per the undertaking by M/s Cairn India Limited to avoid the loss of VAT revenue in Rajasthan; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN):

(a) & (b) VAT/CST is collected by the States in accordance with the provisions contained in the relevant Act. It is not dependent on the provisions of the Production Sharing Contract signed by the contractors with the Central Government. Presently, the operator of the block on behalf of the Joint Venture (JV) is paying CST on the crude being sold to the domestic refineries situated outside the State of Rajasthan. The issue of applicability of VAT instead of CST has been agitated by State Government of Rajasthan before the High Court of Rajasthan.

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